

Information Memorandum No. 03-227**Memorandum For** DCMA Districts and CMOs**Subject:** Electronic Submission and Processing of Payment Requests (INFORMATION)**Date:** April 28, 2003**Target Audience:** District Process Managers, Administrative Contracting Officers and Other Personnel Involved in Reviewing and Approving Payment Requests**New Information/Guidance/Tools:**

- DOD recently issued an [interim rule](#), effective for solicitations issued on or after March 1, 2003, that requires all payment requests to be submitted and processed electronically. The DFARS has been amended to add a new subpart and contract clause to implement this change. Existing contracts do not have to be modified to incorporate the clause.
- In accordance with [DFARS 252.232-7003\(b\)](#), the following electronic forms are acceptable for transmission of payment requests (see [Attachment 1](#) for processing capabilities for each electronic form).
 - Wide Area Work Flow - Receipt and Acceptance
 - Web Invoicing System (WInS)
 - American National Standards Institute (ANSI) X.12
- The ACO may authorize the contractor to submit payment requests using an electronic form other than those listed above as long as the alternate electronic form has been mutually agreed to by the payment office, ACO, and the Procuring Contracting Officer and is capable of transmitting information electronically from the initiating system to all affected systems. Alternate electronic forms do not include facsimile, e-mail, and scanned documents.
- Under certain circumstances, electronic payment methods may warrant an exception. Exceptions include:
 - Purchases paid for with a Government-wide purchase card,
 - Awards made to foreign vendors for work performed outside the United States,
 - Classified contracts or purchases when electronic payment methods could compromise the safeguarding of classified information or national security,
 - Contracts awarded by deployed contracting officers in the course of military or emergency operations,
 - Purchases to support unusual or compelling needs as described in FAR 6.302-2, and
 - Cases where the contractor is unable to submit, or DOD is unable to receive, payment requests in electronic form.
- As stated in [Attachment 1](#), DCMA is currently not able to receive Performance Based, Commercial Item Financing electronic payment requests, and Public Voucher electronic payment requests for non-direct bill contracts. Version 3.0 of WAWF-RA will eventually allow for electronic processing of these invoice types. ACOs should note that contractors are required to submit payment requests in electronic form within a reasonable time after DoD has deployed electronic capability, unless one of the other exceptions at [DFARS 232.7002\(a\)\(1\)-\(5\)](#) applies.
- Until version 3.0 is deployed, it is recommended that ACO's apply the exception at [DFARS 252.232-7003\(c\)](#) and authorize the contractor to submit payment requests using an alternative method that has been mutually agreed to by the contractor, ACO and the payment office. [Attachment 2](#) has been prepared for the ACO's use in establishing an alternate method for the exception.
- DCMA HQ has established a [blanket agreement](#) with the Defense Finance and

Accounting Service identifying acceptable alternate methods as applicable to [DFARS 252.232-7003\(c\)](#). Acceptable alternate methods for submitting requests for payment include hard-copy and facsimile.

- This information is applicable to One Book Chapters [9.3 Progress Payments](#), [9.4 Performance Based Payments](#), and [9.5 Public Vouchers](#).

Point of Contact for Further Information:

Process	DCMA HQ	DCMAE	DCMAW	DCMAI
Public Vouchers	Felisha Hitt DCMA-OCB, 703-428-0988	Karen Foley DCMAE-OCB, 617-753-3129	Marjorie McFarlin DCMAW-OCB, 310-900-6776	Gregory Frey DCMAI-OCB, 703-428-1765
Progress Payments	Debbie Powell DCMA-OCB, 703-428-0997	Barbara O'Connell DCMA-OCB, 617-753-4439	Marjorie McFarlin DCMAW-OCB, 310-900-6776	Gregory Frey DCMAI-OCB, 703-428-1765
Performance Based Payments	Debbie Powell DCMA-OCB, 703-428-0997	Ronald Pulos DCMA-OCB, 617-753-4403	Marjorie McFarlin DCMAW-OCB, 310-900-6776	Gregory Frey DCMAI-OCB, 703-428-1765
Commercial Item Financing	Debbie Powell DCMA-OCB, 703-428-0997	N/A	N/A	N/A

Signature:

DAVID E. RICCI, Director, Contract Business Operations

Attachment 1**Acceptable Electronic Forms and Processing Capabilities for Various Types of Invoices**

Type of Invoice	ANSI X.12	WInS	WAWF-RA
Commercial Invoice (supplies) (includes ODOs)	YES	YES	YES
Commercial Invoice (services)	YES	YES	YES
Commercial Item Financing	---	---	May 03**
Performance Based Payments	---	---	May 03**
Cost Vouchers	YES*	YES*	July 03**
Progress Payments	YES	YES	November 03**

*Direct Bill Only

**Wide Area Work Flow - Receipt and Acceptance, version 3.0, is currently in testing and will deliver the capability to process a wider range of invoice types, eventually allowing for electronic processing of all invoice types. The expanded capabilities will be available at the projected deployment dates noted in the table.

- Wide Area Work Flow - Receipt and Acceptance (WAWF-RA): Allows vendors to submit their invoices and receiving reports (DD250s) electronically and have them routed through a workflow system for inspection, acceptance, receiving, and payment.
- Web Invoicing System (WInS): The WInS application creates an EDI transaction for the DFAS payment systems and enables vendors to send invoices electronically via web based technology.
- American National Standards Institute (ANSI) X.12: Enables vendors to submit invoices in an Electronic Data Interchange format.

Attachment 2

Suggested ACO Authorization for Alternate Method of Submitting and Processing Payment Requests for Exception as Stated in DFARS 252.232-7003(c)

[date]

In accordance with DFARS 252.232.7003(c), _____ **[contractor's name]**_____, _____ **[contractor's CAGE]**___ is unable to submit payment requests in electronic form, and/or DOD is unable to receive payment requests in electronic form.

Therefore, _____ **[contractor's name]**_____ is hereby authorized to submit payment requests for _____ **[type of invoices, e.g. performance-based payments, commercial item financing, or payment vouchers for non-direct bill contracts]**_____ using the following method, which has been coordinated with the contractor, and payment office:

_____ **Hard Copy Payment Request (Paper Submission)**

_____ **Facsimile Payment Request**

This authorization is effective until May 31, 2003, or until such time as an acceptable electronic method has been deployed by DOD. The contractor is required to submit payment requests in electronic form within a reasonable time after DoD has deployed electronic capability, unless one of the other exceptions at DFARS 232.7002(a)(1)-(5) applies.

Administrative Contracting Officer

Distribution:

Contractor
Payment Office
Contract Administration Office Official File
Procuring Contracting Officer

**Blanket Agreement Between
the Defense Finance and Accounting Service and
the Defense Contract Management Agency for
Acceptable Alternate Payment Request Methods
DFARS 252.232-7003(c)**

This blanket agreement is issued to streamline the coordination effort between DCMA Contracting Officer's and the Defense Finance and Accounting Service (DFAS) payment office as required by DFARS 252.232-7003(c).

DFARS 252.232-7003(c) states "If the Contractor is unable to submit a payment request in electronic form, or DoD is unable to receive a payment request in electronic form, the Contractor shall submit the payment request using a method mutually agreed to by the Contractor, the Contracting Officer, and the payment office."

DCMA and DFAS mutually agree that the following alternate payment request methods are the only acceptable methods that Contractor's shall use when they are unable to submit a payment request in electronic form, or DCMA/DFAS is unable to receive a payment request in electronic form:

- Hard-Copy Payment Requests (Paper)
- Facsimile Payment Requests

This blanket agreement satisfies the coordination requirements of DFARS 252.232-7003(c) and is effective until such time as an acceptable electronic method has been deployed by DCMA. Contractors are required to submit payment requests in electronic form within a reasonable time after DCMA has deployed electronic capability, unless one of the other exceptions at DFARS 232.7002(A)(1)-(5) applies.

*/ S /**4/24/03**/ S /**4/25/03*

ROBERT W. SCHMITT Date
Executive Director
Contract Management Operations

SALLY SMITH Date
Director
Commercial Pay Services